

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T- 17594
April 26, 2018**

R E S O L U T I O N

RESOLUTION T-17594: Approves funding for the public housing adoption grant application of the Oakland Housing Authority (OHA) from the California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) in the amount of \$98,495.

I. SUMMARY

This Resolution approves grant funding in the amount of \$98,495 from the California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) for the Oakland Housing Authority's (OHA) Lockwood Learning Center project. This project will provide access to digital literacy training and computer-based job skills training for up to 804 residents in the Lockwood Gardens Apartments, where the Lockwood Learning Center is located.

II. BACKGROUND

On December 18, 2014, the Commission approved Decision (D.) 14-12-039 which implements the rules and guidelines for the BPHA including: eligibility and application requirements, types of activities and costs funded by CASF, criteria for expedited review approval of project applications by Communications Division (CD) staff, and quarterly deadlines for applications beginning January 15, 2015 through October 1, 2016. Key provisions of the Decision relevant to this Resolution include:

- The Commission delegated to CD staff the authority to approve applications through expedited review that meet all of the expedited review criteria.¹

¹D.14-12-039, CASF Broadband Public Housing Account Application Requirements and Guidelines, Appendix B, ("Guidelines" or "Appendix B"), p. B14. References hereafter may be a part of the Guidelines/Appendix B adopted by D.14-12-039.

- Where an application does not meet the above expedited review criteria, it may still be considered for a grant but it must go through the traditional Commission Resolution approval process.
- The Commission delegates to CD the authority to approve applications that meet all the expedited review criteria, including the requirement that the applicant's grant request is \$50,000 or less.²

III. APPLICANT REQUEST

On July 5, 2016, OHA submitted an application for \$50,000 in CASF funding. OHA's request did not specify a curriculum and included a budget for a smaller number of computers to be provided to residents. The request also stated that residents could 'test-out' the digital literacy class and receive a computer.³ In response to staff contacts and discussions with OHA, including a meeting at the Lockwood Learning Center with OHA and Tech Exchange, OHA revised its application. The revised application increases the scope of the project, provides specific curriculums for residents and removes any option to 'test-out' of provided training in order to receive a computer. The revised application was received on February 1, 2018. The new grant amount requested in the revised application is \$98,495.

Applicant and designated contractor: OHA is a public housing agency established in 1938 to provide housing for low-income residents of Oakland. OHA's primary source of funding is from the United States Department of Housing and Urban Development (HUD). The OHA's mission is "to assure the availability of quality housing for low-income persons and to promote the civic involvement and economic self-sufficiency of residents and to further the expansion of affordable housing within Oakland."⁴ One way the OHA accomplishes its mission is to administer such programs as the Low Rent Housing Program, the Section 8 Housing Choice Voucher Program and the Moving to Work Demonstration Program. According to OHA, it currently provides subsidized housing to nearly 16,500 families and is the largest landlord in Oakland.⁵

In its application, OHA states that Tech Exchange (formerly Oakland Technology Exchange) is the designated contractor who will provide public outreach, digital

² D.14-12-039, Appendix B, Section VII, p. B14.

³ OHA proposed to have residents take a placement exam, and, if they passed, the residents would not have to complete the eight hours of training to receive a computer.

⁴ Comprehensive Annual Financial Report, Housing Authority of the City of Oakland, California, Fiscal Year Ended June 30, 2015. Additional information sourced from the OHA website, About OHA (<http://www.oakha.org/AboutUs/Pages/Properties.aspx>), as of February 13, 2018.

⁵ Ibid.

literacy instruction, parts of the curriculum, refurbished computers and technical support for the refurbished computers. Tech Exchange is a nonprofit established in 1995, and is fiscally sponsored by the Oakland Public Education Fund. Tech Exchange started as a partner to the Oakland Unified School District (OUSD). Tech Exchange refurbishes recycled computers, having refurbished over 43,000 devices over the course of its history, provides digital literacy training as part of its computer distribution operation and, if requested, provides technical support for the machines it refurbishes. Tech Exchange is the implementation partner for the Sprint 1Million Project in Oakland, in which all OUSD high school students are eligible to receive a free device, such as a tablet or a smartphone, and data plan to serve as a hotspot for free Internet at home. Specific to this project, Tech Exchange has existing relationships with OUSD schools adjacent to Lockwood Gardens.⁶

Community: Lockwood Gardens Apartments, owned by OHA, was built in 1941 and is a public housing complex with 374 units and 804 residents. Approximately 20% of the current residents are employed, with an average annual employment income of approximately \$24,665. The average annual income for non-employed residents is approximately \$4,590. African Americans constitute 78% of the complex's population, with 14% Asian American, 7% Caucasian, 6% Hispanic and 1% other. Youth comprises 37% of the population (with 13% between the ages of 13 to 19).⁷

Project: According to OHA, the proposed project provides a comprehensive approach to the addressed issues around the digital divide for the low-income residents of Lockwood Gardens Apartments.

Digital Literacy Training: To address the issue of low-income residents not having a home computer, the proposed project will provide funds for a computer⁸ with commonly used software installed. To address the issue of lack of basic knowledge of how to use a device to access the internet, the proposed project will provide the requisite training, using existing curriculum, on how to use the computer. In order for a resident to receive a computer, the resident must complete eight hours of training.⁹

⁶ This includes Including Coliseum Prep Academy, Roots Middle School, Futures Elementary School and Community United Elementary School.

⁷ Communication with OHA, February 13, 2018.

⁸ Typically, will be laptop computers with the following components: 2.6+ GHz CPU, 4 GB RAM, 160+ GB hard drive, 15" screen; Software includes: Windows 10, MS Office Pro, unzip, GIMP, VLC media player, and other open source software; if there is a request for one, a desktop computer will be provided instead, and will also include a mouse, a keyboard and a monitor

⁹ The computers are provided for a \$25 fee, which may be covered by OHA in circumstances where this fee is a hardship in the judgment of OHA.

Computer-based Job Skills Training: In order to address the needs of residents needing training above the basic level and specific to job training and employment, the curriculum will be adapted to include training on office productivity suites, including Microsoft Office, Google Docs and LibreOffice (open source). In this effort, Tech Exchange will leverage local and online resources related to job training, skill development and job search.¹⁰ Specifically, this effort will incorporate job search skills such as creating professional resumes, creating a LinkedIn profile and navigating popular job search sites.

The proposed project will also address the needs of youth and students. Instruction will be provided to students on use of the OUSD portal, where students access school specific online software and resources. As part of their work with OUSD, Tech Exchange provides a home page for each school. Tech Exchange hosts students from Coliseum College Prep Academy as interns and will be incorporating these students as volunteers for this project. Additionally, since Tech Exchange is the implementation partner for the Sprint 1Million Project in Oakland from which all Oakland High School students will be receiving either a pad or a phone, Tech Exchange will be providing training for students on how to set up hot spots utilizing these devices. These hot spots can be used for accessing the internet in those units where the family cannot afford an internet account.¹¹

III. NOTICES

On July 7, 2016, CD posted a list of proposed projects inclusive of this project to be funded by this resolution on the Commission's CASF Public Housing account webpage¹² and sent notices regarding the proposed projects to its email distribution list.¹³

¹⁰ Local and online resources to job training, skill development and job search include: OHA's Employment Development Program, the Eastmont Career and Employment Center (Oakland Private Industry Council) and the CalJobs website.

¹¹ OHA staff believes that less than half of the residents at Lockwood Gardens have a broadband account, typically with Comcast (some residents reportedly use AT&T) but has no accurate estimate.

¹² <http://www.cpuc.ca.gov/General.aspx?id=908>

¹³ Pursuant to D.14-12-039, CD posts all applications on its website to give ISP two weeks from the date of posting to challenge applications. (Appendix B, p. B12).

IV. PROJECT REVIEW

A. Project Eligibility

A PSC may be eligible for CASF BHPA grant funding only "if the residential units in the facility to be served have access to broadband services or will have access to broadband services at the time the funding for adoption is implemented."¹⁴ OHA has attested that all the units at Lockwood Gardens are wired, and, therefore, have access to broadband services.

B. Project Criteria Evaluation

D.14-12-039 delegates to staff the authority to approve applications under the BPHA that meet all expedited review criteria. CD evaluated this project with respect to the expedited review criteria as defined in D.14-12-039.¹⁵ The proposed project meets the expedited review requirements except for the requirement that the applicant requests a grant of \$50,000 or less.

C. Project Grant Request

The proposed project request for \$98,495 exceeds the \$50,000 expedited review limit. The reason for the increased cost is that the proposed project will serve a large complex with 374 units and 804 residents with diverse needs. The cost per resident for this project is \$123, which is within the one standard deviation less the average cost.¹⁶ The proposed project cost is reasonable when considering the average cost per resident for all approved adoption projects, which is \$238 per resident.

D. Staff Recommendation

Staff recommends approval for this project. Staff agrees with OHA that this project is comprehensive in its approach, addressing the needs of a diverse cross-section of the resident population. The contractor, Tech Exchange is experienced in digital literacy and has a long standing relationship with the community, particularly with the school district, which brings confidence that their understanding of the needs of this community is well-informed.

¹⁴ Pub. Util. Code, § 281(i)(4)(A).

¹⁵ D.14-12-039, Appendix B, p. B14.

¹⁶ The range of cost per resident for approved adoption projects from the Public Housing Account (89 projects) is a low of \$25 to a high of \$767, with an average value of \$238 and a median value of \$220. The standard deviation is \$146. Note that, typically, not all residents are trained.

V. COMPLIANCE REQUIREMENTS

OHA is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D.14-12-039. Such compliance includes, but is not limited to the following:

A. Execution and Performance

OHA must begin the project within nine months of Commission approval and thereafter must sustain the adoption project for 12 months or until 75 percent of residents are trained. If they are unable to complete the proposed projects within the 12-month time frame, they must notify the Director of CD as soon as they become aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement by timely notifying CD's director.

In the event that OHA fails to complete the performance in accordance with the terms of the CPUC approval, as set forth in this Resolution, the recipient must reimburse some or all of the CASF funds it has received.

B. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.¹⁷

OHA's invoices will be subject to a financial audit by the Commission at any time within three years of completion of the project.

C. Reporting

OHA must submit progress reports on the status of the project irrespective of whether it requests reimbursement or payment. The first progress report is due at the end of the Ramp Up Period, which is to be completed within nine months from the date of issuance of this resolution. The second progress report is due when OHA has trained 25 percent of the residents. The third progress report is due after OHA has trained 50 percent of the residents. Once 75% of all residents have been trained or after the project has been training residents for 12 months, and before full payment of the project, OHA

¹⁷ Pub. Util. Code, § 270.

must submit a project completion report. OHA must certify that each report is true and correct under penalty of perjury.

D. Payments

Submission of invoices from and payments to OHA shall be made at completion intervals in accordance with Section X of Appendix B of D.14-12-039 and according to the guidelines and supporting documentation required in D.14-12-039. As referred to in Section X, payment to OHA will be on a progress billing basis with the first 25 percent to be made upon the proponent's submission to the Commission staff of a progress report showing that the project's ramp-up time has been completed (in nine months or less). Subsequent payments shall be made on 25 percent increments showing percentage of residents trained (25 percent, 50 percent and 75 percent) with the total payment made when 75 percent of the residents are trained, or after the project has been training residents for 12 months. OHA must submit a project completion report before full payment.

Payment to OHA shall follow the process adopted for funds created under Pub. Util. Code, § 270. The Commission generally processes payments within 20-25 business days (including CD and Administrative Services Division review). The State Controller's Office (SCO) requires an additional 14-21 days to issue payment from the day that requests are received by SCO from Administrative Services.

VI. SAFETY CONSIDERATIONS

The Digital Literacy training provided through this resolution will assist the OHA to connect residents to government and e-health services which improves safety.

VII. COMMENTS

In compliance with Pub. Util. Code section 311(g)(1), a Notice of Availability was e-mailed on March 22, 2018, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/> and is available for public comments. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website. No comments were received.

VII. FINDINGS

1. Pub. Util. Code, § 281(i)(4)(A) states that a PSC may be an eligible applicant only if the residential units in the project location have access to broadband services or will have access to broadband services at the time the funding for adoption is implemented. OHA attested that all units have such access or will have such access at the time when the funding is implemented.
2. On July 5, 2016, OHA submitted an incomplete application for CASF funding. On February 1, 2018, OHA submitted a revised application.
3. Based on its review, CD determined that the project meets all expedited review requirements except for the total cost of the grant, which is greater than \$50,000. CD has concluded that the total project funding of \$98,495 is reasonable and recommends Commission approval of CASF funding for the Lockwood Learning Center project.
4. OHA is required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D.14-12-039.
5. A notice letter was e-mailed on March 22, 2018 informing all applicants filing for CASF funding, parties on the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website. No comments were received.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award \$98,495 to the Oakland Housing Authority for the Lockwood Learning Center project. This award is based on the description of the project as described herein and is predicated on commitments to provide adoption services as expressed in the awardee's application and in compliance with the requirements in the expedited review checklist that the awardees agreed or attested to in its application.
2. Grant payments of up to a total of \$98,495 for this public housing project shall be paid out of the CASF Public Housing Account in accordance with the guidelines adopted in D.14-12-039, including compliance with CEQA.

3. Payments to OHA shall be in accordance with Section X of Appendix B of D.14-12-039 and in accordance with the process defined in the "Payments" section of this Resolution.
4. OHA shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in D.14-12-039, and in accordance with the terms of the Commission's approval as set forth in this Resolution.
5. In the event that OHA fails to complete the project in accordance with the terms outlined in D.14-12-039 and this Resolution, OHA must reimburse some or all CASF funds it has received.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 26, 2018. The following Commissioners approved it:

ALICE STEBBINS
Executive Director